

FTSE 100 set to stage mini-bounce after sharp falls triggered by Covid worries

The [FTSE 100](#) was today set to rise after a grim session across [Europe](#) yesterday saw the [UK index](#) tumble more than 1%.


Even so, with a mere 19 point gain expected, the UK's leading index was barely expected to stay above the 7000 level, hitting just 7035, if futures markets are correct.

[Bitcoin](#) is also in a weak position, falling more than 2% in the past 24 hours.

Reports that [Japan](#) was increasing diplomatic efforts to regulate cryptocurrencies worldwide may not have helped, although [Reuters](#) reported the move was more based on the proliferation of new forms of [cryptocurrency](#) rather than Bitcoin itself.

Across Europe, shares fell yesterday amid concerns about the Delta variant of the [Covid](#) virus.

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UK companies are increasingly warning of staff shortages as hundreds of thousands of people get “pinged” by the NHS Covid app.

Spiralling numbers of people with the virus are also concerning bosses suffering from worker shortages.

Much in the UK market will depend on the oil price, which fell yesterday amid hopes of a rapprochement between Saudi Arabia and UAE that would allow Opec to open the taps.

Shell and BP both fell around 3% yesterday as black gold dropped.

The course of UK interest rates becomes more uncertain by the minutes. Two Bank of England interest rate setters have now said they are moving towards believing rates are too low for the current state of the economy.

Deputy governor Dave Ramsden and external Monetary Policy Committee member Michael Saunders have said they are concerned about inflation – concerns not eased by yesterday’s unemployment data showing there are up to 1 million vacancies.

That could easily translate into inflationary wage rises as employers fight for staff.

European shares were expected to open slightly higher, like the UK, but Asian stocks were suffering after big falls in tech companies followed a sharp slide in shares of TSMC, the Taiwanese chipmaker.

The MSCI index of Asian stocks outside Japan fell 0.35% this morning.

The main market moving event of today will be US retail sales data out this afternoon with a likely gain on May’s declines of 1.3%.

Consumer confidence in the world's biggest economy is something of a conundrum, with data showing it to be riding high, but shopping data swinging between gains and falls since the start of the year.

Inflation may be one reason, with high fuel prices in particular dented people's appetite for buying other items. Economists expect a decline of 0.5% for June.